

STATEMENT OF

C. EVERETT KOOP, M.D., Sc.D.

BEFORE THE

UNITED STATES TRADE REPRESENTATIVE

SECTION 301 COMMITTEE

REGARDING

THE UNITED STATES CIGARETTE EXPORT ASSOCIATION

PETITION WITH RESPECT TO THAILAND

SEPTEMBER 19, 1989

I am C. Everett Koop. I am pleased to be able to provide you with my views on the petition regarding Thailand and, more generally, the problem of tobacco use worldwide.

My views on tobacco are well known. In brief, I regard tobacco use as a critically important public health problem in the United States and abroad. In fact, smoking is the most important preventable cause of death in our society. The evidence linking tobacco use to numerous types of major diseases has grown extensively in recent years. Evidence was established firmly a long time ago, and now is documented in tens of thousands of scientific studies.

The World Health Organization estimates that, globally, smoking is responsible for 2.5 million deaths each year. Of most concern is the increase in cigarette smoking in developing countries, where an epidemic of smoking-related diseases will occur unless this increase in tobacco use is reversed. And yet today, we conduct formal proceedings to determine whether the United States Trade Representative should apply trade sanctions against Thailand, a developing country, unless it agrees to accept American cigarettes and aggressive campaigns to market them.

To promote free trade is, of course, an important and worthwhile goal of our Nation's diplomatic and trade representatives. When promoting free trade involves promoting a product as inherently dangerous to health as is tobacco, however, it is imperative to consider free trade goals in a broader international context.

In general, the U.S. develops its trade policy in consultation with experts in economics, business, trade, agriculture and international finance. Most of those involved in efforts to open new or expand existing markets for U.S. tobacco exports, however, do not perceive their actions either as contributing to a growing worldwide health problem or as actions that will bring condemnation on our country in days to come. In their view, they simply are promoting free trade and making alternative brands of tobacco available to the population of current users.

From my perspective, it is unconscionable to view tobacco trade policy so narrowly and to develop a tobacco trade policy without regard for the health impact of that policy. The inconsistency between U.S. tobacco trade policy and U.S. health policy increasingly is obvious and denounced in the international health community. For years, the United States has exerted significant positive influence on the course of public health in many developing nations around the world. The global eradication of smallpox is but one example. Ironically, the United States is in the process of reversing this exemplary trend through its aggressive trade policy to promote tobacco. Such a trade policy is all the more questionable because the United States domestically is taking a firm public health stand against tobacco use.

Experience shows that when entering foreign markets, multinational tobacco companies, most of which are based in the United States, usually expand the existing markets. This occurs because they initiate aggressive advertising and promotional campaigns, usually targeting groups previously untapped, such as women and children. For example, after U.S. pressures led Taiwan to open its markets to U.S. cigarettes and to rescind its ban on cigarette advertising on television, per capita cigarette consumption increased significantly.

An article in the January 1989 issue of the Tobacco Reporter, a tobacco trade journal, describes what happened in Taiwan after U.S. cigarettes entered the market. According to the article, per capita consumption dropped by 5% between 1985 and 1986, but increased by 10% in 1987 when the market opened to imports. This is persuasive industry-provided evidence against the argument that foreign brands simply replace domestic brands without increasing overall consumption. Domestic brand consumption did go down in Taiwan, but the increase in imported brand consumption more than offset that decline. The net result was an increase in total per capita consumption. Moreover, the article reports that "Foreign companies have essentially introduced cigarette advertising to the Taiwan market."

Public health concern about tobacco advertising and promotion is based on the premise that these activities encourage smoking and increase tobacco consumption. Responding to these concerns, the United States long ago banned cigarette advertising on television and radio, and currently is considering further national restrictions on tobacco advertising and promotion. What is particularly egregious in the pending petition regarding Thailand is the attempt to rescind the existing restrictions on cigarette advertising and promotion that the Thai government so wisely has chosen. That the United States, through the official conduct of its trade policy, would strive to reverse such appropriate public health measures is deplorable. Interfering with the sovereignty of another nation is not something we would tolerate if interference were imposed on us.

The Thai Government has banned virtually all forms of advertising and promotion of cigarettes, including television, radio, newspaper and magazine advertising -- for both domestic and foreign brands. The pending petition to the U.S. Trade Representative has asked for an end to these restrictions "in order to overcome years of exclusion from the market." In the United States, where the organizations represented by the petitioner are based (Philip Morris, R.J. Reynolds, and Brown and Williamson tobacco companies), the government has banned cigarette advertising from television and radio since 1971. According to a 1983 brochure from the U.S. Tobacco Institute (copy attached to this statement and submitted for the record), "In 1969, the cigarette companies ... offered to end all brand advertising on radio and television, because of their substantial, and expanding audience of young people." That offer, and the concern about exposing young people to cigarette advertising, are blatantly inconsistent with the current efforts of these companies to reverse bans on broadcast cigarette advertising in other countries.

In February 1988, the Federal Interagency Committee on Smoking and Health, which I chaired as the Surgeon General, met to consider the topic of international health and tobacco. (The proceedings are attached and submitted for the record.) Several of those who addressed the Committee provided new insights into the international dimensions of this issue, as well as new insights as to how U.S. trade policy is being perceived. The perception is that our trade policy is to push addicting substances into foreign markets, disregarding the sentiment of the foreign government and the future health of its population due to the use of a deadly U.S. product. Further, it is to coerce foreign governments to allow advertising and promotion of products in ways we prohibit in our own country. The stark reality is that, with respect to tobacco, this is what Section 301 trade policy has come to mean.

Years from now, our Nation will look back on this application of free trade policy and find it scandalous, as rest of the world does now. By virtue of this hearing and testimony from the health community, our country will not have the comfort of saying it was unaware of the international health implications of this issue. Rather, if it accepts this Section 301 petition, it will bear the shame of consciously having decided to reject those implications as frivolous and secondary to promoting tobacco trade.

To my knowledge, this is the first tobacco-related Section 301 petition to you as the new U.S. Trade Representative. I implore you, in the best interests of our government, to take a broad, future-oriented view of this pending petition and not contribute further to this international health problem - and further tarnish the American image - by forcing the Thai government to accept its conditions.

At a time when we are pleading with foreign governments to stop the export of cocaine, it is the height of hypocrisy for the United States to export tobacco. Consider the figures: Cocaine killed about 2000 people in the United States in 1988. Cigarettes kill 390,000 in the United States each year.

Thank you. I would be happy to answer questions.

Cigarette Industry Advertising Standards

The cigarette industry formally enunciated more than 20 years ago its policy of neither advertising nor promoting cigarettes to young people.

Speaking for the makers of more than 99 percent of all cigarettes, The Tobacco Institute said in 1963:

"The industry's position has always been that smoking is an adult custom. To avoid any confusion or misconception in the public mind as to this position, a number of member companies of The Tobacco Institute have each decided to discontinue college advertising and promotional activity."

Most recently, The Tobacco Institute has conducted an advertising campaign that will have reached 110 million Americans by the end of 1983. One of the ads asks, "Do cigarette companies want kids to smoke?" And it gives the industry's answer: "No. As a matter of policy. No. As a matter of practice. No. As a matter of fact. No."

Two other ads make the same point.

For a whole generation, then, the industry has worked to avoid directing its brand advertising to young people.

- In 1964, in a voluntary cigarette advertising code, the companies eschewed all advertising, marketing and sampling directed at young people. The code, which is still observed, forbids the use of celebrities and sports figures and others with appeal for youth.

The code requires that any model used must be, and must *appear* to be, at least 25 years old and that brand ads not present smoking as a pastime that somehow leads to success, sexual attractiveness or prominence.

- In 1969, the cigarette companies, which had been avoiding advertising in any publication or program with a predominantly youth audience, offered to end *all* brand advertising on radio and television, because of their substantial, and expanding audience of young people.

An industry representative said that year in Congressional hearings:

"Young people are exposed to broadcast advertising differently than they are to print advertising. It is well known that young people spend a great deal of time viewing television and listening to radio. It takes an affirmative act on the part of the viewer or listener to avoid broadcast advertising. By contrast, much less time is spent by young people in reading newspapers and magazines and an affirmative act is required by the reader to see and comprehend such advertising."

As a result of the companies' offer and Congress' decision to write the voluntary initiative into law, cigarette brand advertising left the airwaves in 1971.

- Since then, reinforcing the provision of the voluntary ad code forbidding distribution of brand samples to young people, the industry's Code of Cigarette Sampling Practices has stipulated that brand sampling not be conducted within two blocks of any centers of youth activities. Examples listed include playgrounds, schools, college campuses and fraternity or sorority houses. Any independent contractor or employee who violates any provision of the voluntary code is subject to immediate dismissal.

The rationale behind the industry's longstanding policy against youth smoking is spelled out explicitly in a booklet offered since last year in advertising of The Tobacco Institute on behalf of its member cigarette companies:

"All of us need a time of 'growing up' to develop the mature judgment to do so many things—like driving, voting, raising a family—and knowing enough to make an informed decision about all sorts of adult activities.

"In our view, smoking is an adult custom and the decision to smoke should be based on mature and informed individual freedom of choice.

"It remains a fact, however, that some young people do smoke cigarettes. But the percentage who do is going down. That suits us fine."

Yes, that suits us *all* just fine.



The Tobacco Institute
1875 I Street, Northwest
Washington, DC 20006

September 1983
1291.1

Docket No. 301-72

Public Hearing on Investigation Initiated Under
Section 302 of the Trade Act of 1974, as Amended

September 19, 1989

REVISED ORDER OF WITNESSES

1. Owen C. Smith
U.S. Cigarette Export Association
2. The Honorable Mitch McConnell
Senator from Kentucky
3. The Honorable Chester Atkins
Congressman from Massachusetts
4. The Honorable Mel Levine
Congressman from California
5. The Honorable Robin Tallon
Congressman from South Carolina
6. The Honorable Peter J. Visclosky
Congressman from Indiana
7. The Honorable James V. Hansen
Congressman from Utah
8. The Honorable Michael A. Andrews
Congressman from Texas
9. The Honorable Richard J. Durbin
Congressman from Illinois
10. Anne Marie O'Keefe, Ph.D., J.D.
Advocacy Institute's Women vs. Smoking Network
11. Prof. Prakrit Vateesatokit
Thai Anti-Smoking Campaign Project
12. Surin Pitsuwan
Member of Parliament of Thailand
13. C. Everett Koop, M.D.
14. William Daunhauer, Jr.
International Representative for Bakery, Confectionery
and Tobacco Workers International Union, AFL-CIO

31. The Honorable Howard C. Neilson
Congressman from Utah
32. The Honorable Thomas A. Luken
Congressman from Ohio
33. Edward Leiken
Physician's Committee for Responsible Medicine

HEARING WILL CONTINUE ON SEPTEMBER 20 ONLY IF NECESSARY.